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Mark Perry: Ticket sales are matter of property rights

Written by Mark Perry

Personal property rights are the very foundation of our country's economic system. When you buy something, you own it. Period. And when you own something as your personal property, you have the right to use it, lend it to somebody, give it away or sell it as you decide.

These property rights apply to houses, cars, shares of stock, furniture, personal possessions and just about anything you can imagine — everything, that is, except for sporting event or concert tickets bought and sold in Michigan.

Unfortunately for consumers in Michigan, we live in one of the few states that impose an outright ban on the resale of event tickets above face value. Some call this “scalping,” but it is really nothing more than a voluntary market transaction between two consenting parties.

Buyers negotiate with sellers for a fair ticket price, just like they negotiate the best price for a house or car. If we believe so strongly in the market principles and property rights that underlie the dozens of market transactions that are part of our daily routines, then shouldn't we question why Michigan has a law that singles out tickets and infringes on our rights as ticketholders?

If this antiquated law was intended to protect consumers, it has failed. Michigan's 1931 ticket law puts onerous restrictions on the secondary ticket market, requiring that ticket holders receive written consent from the artist, team or venue before selling a ticket above its face value. This would be like requiring the owner of a 1965 Ford Mustang to write to seek Ford's permission before reselling their classic car for more than the original sticker price.

Of course, selling tickets above face value does happen in Michigan. Sites like Ticketmaster and StubHub enable people to buy and sell tickets with the click of a button. They get around the state law by signing deals with teams and venues to become the exclusive “official resale partner” for secondary market tickets. In exchange for giving resale

websites official status, the teams and venues receive a portion of the scalping revenue.

In essence, ticket scalping becomes legal only if you pay exorbitant fees to use the ticket companies' tightly controlled online market. No in-person sales are allowed. This is the exact opposite of a fair and free market.

Rep. Tim Kelly, R-Saginaw, has introduced legislation to fix this issue. House Bill 5108 would open Michigan's ticket resale market and allow fans to buy and sell tickets in person the same as they can do now only through online resale sites.

Rep. Kelly's bill received unanimous support in the House Criminal Justice Committee and passed in the State House with a bipartisan vote. It now awaits a hearing in the Senate Government Operations Committee.

The bill, however, has received stiff opposition from — you guessed it — teams and venues. They know that if this bill passes, they will lose their state-enforced monopolies. They won't be able to force you to pay exorbitant ticket fees just to sell your ticket to your neighbor or co-worker. They won't be able to force you to use their rigged ticket exchanges. That is why they are calling on celebrities and political contributors to help block this legislation and maintain the anti-consumer and anti-market status quo.

But opposition from organized, well-funded special interest groups shouldn't matter. This is a simple case of property rights and free market principles for sports and music fans in Michigan. Just like any other product, when you buy a ticket you own it. And when you own a ticket, you should be free to do whatever you want with it. Nobody — especially not ticket companies protecting their monopolies — should be able to use state law and the government to prevent you from selling your own property.

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